DOCUMENT RESUME

ED 423 052 PS 026 873

AUTHOR Collins, Ann
TITLE Anticipating the Effects of Federal and State Welfare Changes on Systems That Serve Children. Children and Welfare Reform. Issue Brief 2.
INSTITUTION National Center for Children in Poverty, New York, NY.
SPONS AGENCY Annie E. Casey Foundation, Baltimore, MD.; Foundation for Child Development, New York, NY.; Ford Foundation, New York, NY.; Carnegie Corp. of New York, NY.
PUB DATE 1997-00-00
NOTE 13p.; For related document, see PS 026 871.
AVAILABLE FROM National Center for Children in Poverty, Columbia University School of Public Health, 154 Haven Avenue, New York, NY 10032; phone: 212-927-8793; fax: 212-927-9162 ($5 prepaid).
PUB TYPE Reports - Descriptive (141)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Children; Economically Disadvantaged; Family Income; Federal Aid; *Federal Legislation; Federal Programs; Low Income Groups; *Poverty Programs; State Aid; State Programs; *Welfare Recipients; *Welfare Services
IDENTIFIERS Personal Responsibility and Work Opp Recon Act; *Welfare Reform

ABSTRACT

The National Center for Children in Poverty is developing a series of issue briefs on children and welfare reform to help policymakers, community leaders, and advocates use the opportunities afforded by welfare changes in ways that are most likely to benefit both children and adults. This second issue brief focuses on the impact of federal and state welfare initiatives on state and community policies and systems that serve children and families. Noting that the Personal Responsibility and Work Opportunity Reconciliation Act changed many rules upon which programs and services to poor children and families were predicated, eliminating some programs and creating others, this brief discusses the implications of the federal and state changes in welfare policy as they affect child care subsidies, early education programs, child health, and child welfare. The brief also identifies strategies that hold the greatest potential for developing links between systems to minimize potential harms and maximize positive outcomes for children and families, and considers the development of support for implementing such strategies. (JPB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 423 052

Children and Welfare Reform

Issue Brief 2

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy

Anticipating the Effects of Federal and State Welfare Changes on Systems that Serve Children

Ann Collins

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
Elizabeth Siecke
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
2B

PS 026873

NATIONAL CENTER FOR CHILDREN IN POVERTY

Series Introduction

Recent federal welfare legislation, P.L. 104-193, The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, can have a major impact on the health and development of young children living in poverty. Changes now being implemented in welfare policies and programs take many forms, but most of them have one thing in common—they are almost all driven by adult-focused goals. However, two-thirds of recipients of the former welfare program known as Aid to Families With Dependent Children (AFDC) were not adults—they were children, a reality likely to continue. While policymakers and program directors often recognize this fact, there is very little information available to them about how to protect children and enhance their growth and development within the context of welfare changes.

A growing body of research points to an emerging consensus that successful policies must take into account the needs of children when addressing the needs of parents, and the needs of parents when addressing the needs of children. Welfare reform has the potential to help or hurt children in three major ways: (1) by changing family income; (2) by changing the level of parental stress and/or parenting styles; and (3) by changing children's access to and need for basic services, including child care, health care, and child welfare, as well as access to more comprehensive services that combine family support with child-focused services. Building on this framework, the National Center for Children in Poverty (NCCP) is developing a series of issue briefs on children and welfare reform to help policymakers, community leaders, and advocates use the opportunities afforded by welfare changes in ways that are most likely to benefit both children and adults.

This second issue brief focuses on how federal and state welfare initiatives may have an impact on state and community policies and systems that serve children and families. The issue briefs are part of a larger Leadership Network on Children and Welfare Reform supported by grants from the Annie E. Casey Foundation and the Foundation for Child Development. NCCP takes responsibility for the facts and opinions presented in this issue brief. For further information on other issue briefs and related NCCP publications, see the end of this document.

The National Center for Children in Poverty (NCCP) was established in 1989 at the School of Public Health, Columbia University, with core support from the Ford Foundation and the Carnegie Corporation of New York. The Center's mission is to identify and promote strategies that reduce the number of young children living in poverty in the United States, and that improve the life chances of the millions of children under age six who are growing up poor.

The Center:

- Alerts the public to demographic statistics about child poverty and to the scientific research on the serious impact of poverty on young children, their families, and their communities.
- Designs and conducts field-based studies to identify programs, policies, and practices that work best for young children and their families living in poverty.
- Disseminates information about early childhood care and education, child health, and family and community support to government officials, private organizations, and child advocates, and provides a state and local perspective on relevant national issues.
- Brings together public and private groups to assess the efficacy of current and potential strategies to lower the young child poverty rate and to improve the well-being of young children in poverty, their families, and their communities.
- Challenges policymakers and opinion leaders to help ameliorate the adverse consequences of poverty on young children.

© 1997 by the National Center for Children in Poverty

Federal changes in welfare policy have significant ramifications for virtually every state system that serves children and families. A number of essential programs and services for children and families were largely built around, and sometimes anchored in, the former welfare program Aid to Families with Dependent Children (AFDC). For instance, eligibility for Medicaid and some child care subsidies was automatic when a family was eligible for AFDC. In addition, non-AFDC children and families were served by both programs. Other programs targeted to poor children did not have eligibility requirements tied directly to AFDC. However, since they served significant numbers of families receiving cash assistance, these programs were structured around the needs and characteristics of these families, such as scheduling activities for parents during work hours on the assumption that those receiving cash assistance would not be working.*

In August of 1996, with passage of The Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193), many of the rules upon which programs and services to poor children and families were predicated changed dramatically. The AFDC program was eliminated all together. In its place is a block grant called Temporary Assistance for Needy Families (TANF), which combines AFDC, the Job Opportunities and Basic Skills Program (JOBS), and the Emergency Assistance Program (EA).[1] The legislation also makes significant changes in several additional programs that serve low-income families, such as food stamps and Supplemental Security Income (SSI). The TANF block grant combines greatly increased state flexibility in many areas with much more stringent requirements for families who receive TANF funds.[2]

These welfare changes, coupled with those implemented at the state level, have the potential to affect the well-being of children and families in three general areas: family income, parenting and parental stress, and access to services.[3] See the box on this page for more details on these effects.

* See the glossary beginning on page 9 for a fuller explanation of past and present welfare-related programs.

Implications of a Children's Perspective on Welfare Reform

Research indicates that welfare reform can have an impact on families in three general ways:

Family Income

Welfare reforms that leave families in poverty are unlikely to improve children's prospects. Reforms that cause deeper and more persistent poverty will negatively affect children's growth and development. It seems likely that only welfare reform efforts that substantially increase the incomes of families on AFDC will lead to better developmental outcomes for children.

Parenting and Parental Stress

Welfare reforms that increase parental stress or cause parents to be more harsh and punitive may have negative consequences for children. On the other hand, those policies that provide experiences and supports that strengthen parents' psychological resources could have positive consequences.

Children's Services

Welfare reforms that push children into low-quality child care or that limit their access to health care can have significant harmful effects on children. Conversely, welfare reform that enables families to obtain high-quality child care and continued or improved access to primary health care could have positive consequences for children. In addition, welfare reform that deprives families of needed social supports will only intensify the stressors that contribute to family disintegration.

The new TANF program and other changes in programs brought about by P.L. 104-193 have implications both for families and for all systems and programs that serve children and families living in or near poverty, including child care, child health, food programs, child welfare, Head Start programs, prekindergarten programs, family support programs, comprehensive children's initiatives, and programs and services for families with special needs. As with any major policy shift, the new legislation represents significant opportunities and risks.

Increased flexibility offered by the legislation can enable states and communities to structure cash assistance programs in ways that complement other services and supports for low-income children and families. However, the legislation poses some very serious potential risks to families. For some families, welfare reform can result in a significant loss of income—through loss of cash assistance, SSI, or food stamps—because families or children are deemed ineligible, because they receive sanctions, or because they reach time limits.

Federal and state welfare changes clearly will have effects on families through the new rules governing cash assistance and the way that the welfare policies shape other child- and family-serving systems. In addition, welfare changes potentially can affect the natural helping networks used by low-income families managing with insufficient resources to meet pressing demands. Such informal support may include child care provided by relatives and friends, shared transportation, emergency food, and shared housing.

Yet, although it is clear that there are important general implications of federal and state welfare initiatives for all of the programs mentioned in this issue brief, it is equally clear that to date, many of the specific implications remain unidentified. This is the case for two reasons. First, the federal welfare initiative and many components of recent state welfare experimentation are not based on any significant prior federal or state policy initiatives. Therefore, prior experience cannot be used as a predictor of future implementation issues. Second, as each state crafts a unique approach to welfare reform, and since each has somewhat unique systems to serve children and families to begin with, there are at least 50 different answers to questions of how welfare changes will affect formal and informal systems for children and families.

The challenge is threefold: (1) understanding the potential implications of the federal and state changes in welfare policy; (2) identifying strategies that hold the greatest potential for developing linkages between systems to minimize potential harms and maximize positive outcomes for children and families; and (3) developing the necessary support to implement such strategies.

Examples of Ramifications of Welfare Changes on Child- and Family-Serving Systems

Despite this uncertainty, it is possible to highlight a few of the major ramifications of TANF for some of these systems, if only for illustrative purposes:

- ***Child care subsidies.*** Even prior to the passage of P.L. 104-193, the need for subsidies far outstripped their availability, and states had to make difficult choices about targeting money. For instance, states often gave families on AFDC top priority but also served a number of low-income families who were not receiving AFDC. Under TANF requirements, each year an increasing number of families must work to receive assistance. The TANF legislation eliminates a preexisting guarantee of child care assistance for families on welfare if they need it in order to work. However, by the year 2002, 50 percent of the caseload must be working at least 30 hours per week, yet federal funding will be insufficient to meet the resulting need for child care. This requirement will put enormous pressure on policymakers to target all child care subsidy funds on this particular group of parents.
- ***Other early education programs.*** Many programs for preschoolers (e.g., Head Start, prekindergarten programs, and other preschool programs) are available only on a part-day basis. Many parents in the TANF program will need to work as a condition for receiving cash assistance; successful welfare initiatives will move still other families from receiving cash assistance to earning wages. The conflict between work schedules of parents and preschool schedules may make part-day programs inaccessible for many parents even without the added burden of making additional care arrangements for children. This problem will be greater in areas where transportation issues already make it difficult for children to get to part-day programs and parents to go to work.
- ***Child health.*** Eligibility mechanisms for Medicaid were based on the former cash-assistance system, and enrollment was automatic for all families on AFDC. Therefore, new systems must be developed and maintained to serve families eligible for the former

AFDC program. Since enrollment will no longer be automatic, the ways states structure these new systems may increase or decrease the risk that some families will have difficulty accessing this important health insurance program.

- ***Child welfare.*** Federal child welfare policy mandates efforts to protect children from maltreatment. However, with the passage of P.L. 104-193, there is no longer a guarantee of basic minimum economic support for these children. The inherent conflict between these two policies (i.e., no protection from severe economic hardship, but protection from child maltreatment) has ramifications at the state and community levels. For instance, federal and state provisions that result in families losing significant income may make it more likely for there to be increases in child abuse and neglect cases.[4] In contrast, welfare initiatives that put an emphasis on strengthening parenting skills and reducing parental stress (possibly as part of strategies to foster work-appropriate behavior) could have the opposite effect on abuse and neglect cases.

These are four very general examples of the ways in which the new federal welfare initiative can affect child-serving systems and programs. The many important details about how welfare changes will affect such systems will vary greatly state by state. State-level, and in many cases, community-level analyses will be very important in identifying the ramifications of both federal and state welfare changes.

To promote state- and community-level analyses, the next section discusses potential tools and processes for states and communities to explore more fully the relationship between TANF and services for children and families. The goal of these efforts is ultimately to identify and implement strategies that will minimize harms and maximize positive benefits to children and families within the context of federal and state welfare changes.

P.L. 104-193 included some mechanisms for input in the welfare planning and funding processes. The TANF program requires that states provide the federal government with plans for enacting various provisions of the law. States must certify that they have consulted with local governments and private-sector organizations about the plan and allowed them at least 45 days to submit comments. In addition, state legislatures must determine all spending decisions of TANF funds in future years. For fiscal year 1997, the degree of legislative involvement may depend on the laws in an individual state.

What Can Be Done

A full understanding of the potential implications of welfare changes on children's services and the opportunities for states and communities to plan and implement consistent policies requires careful legislative analysis, assessment of current programs, and extensive dialogue between policymakers, program administrators, others who are involved either with children's services or with cash assistance, work, or training programs, and low-income families themselves. Issues to consider in each of these activities include: goals and general policies guiding programs, the structure and programming of the systems being considered, budget and funding issues, the degree of state and community flexibility, and program rules and regulations. Three specific strategies are outlined below.

STRATEGY 1:
Map out each of the major state programs that serve children and families and the possible effects of the federal welfare legislation and state welfare reform initiatives.

An in-depth assessment of any particular program or service system affecting children and families appears to be a necessary first step to developing an understanding of the ramifications of welfare changes. The following questions may help guide such analyses for each individual program or system of services.

Goals and general policies

- How do the goals and policies of this program compare with those of federal and state welfare reform? Are there any inherent conflicts?

Size and characteristics of the welfare population receiving services

- How many children or families receiving cash assistance are currently being served by this program? What proportion is this of the total number being served?

- If the numbers of children and families receiving cash assistance through a particular program are not known, what changes in current program data systems would need to be implemented to make it possible to identify those families who receive TANF funds?
- All in all, are changes in TANF and state welfare programs likely to increase, decrease, or have no effect on the number of children and families who need services? Under what circumstances? If TANF is likely to change the composition of families receiving services in this program, what structures are in place to set priorities?

Changes in the needs and circumstances of families receiving services as a result of welfare changes

- How will the potentially significant reduction in family income for those families who are no longer eligible for at least some forms of assistance (e.g., legal immigrants), who are sanctioned, or who reach time limits affect the way that services in this program are used?
- How will work requirements and any decrease in low-income working families who are receiving TANF funds affect this program (e.g., through schedule conflicts, transportation problems, family copayment issues, etc.)?
- Are there special subpopulations receiving these particular services (e.g., teen parents, families on TANF with very young children, non-TANF families) who are likely to be most affected by the specific changes in welfare programs?

Differences between program structure and changes in families' needs resulting from welfare changes

- Do any answers to the above questions about how TANF and other welfare changes will affect families point out potential inconsistencies between program rules and services (e.g., transportation, case management) and changed needs of families?
- How will TANF rules affect eligibility criteria and mechanisms for families to access services?
- What provisions in P.L. 104-193 give the state the option to minimize risks and maximize the benefits of welfare changes in relationship to a particular program or service? (The box below provides examples of issue analyses drawn from Issue Brief 3, which focuses specifically on the linkages between child welfare and welfare changes.)

State Strategies to Minimize Harm to Children and Families Vulnerable for Involvement in the Child Protection/Welfare System*

Issue	Provisions in P.L. 104-193	Implications for Vulnerable Families	State Strategies
Families in need of Emergency Assistance (EA) for temporary crises	The new welfare law merges AFDC, JOBS, and EA into one TANF block grant. A state can transfer up to 10% of its TANF dollars to SSBG. The SSBG dollars do not count against time limits and must be used for families with incomes below 200% of federal poverty guidelines.	States can choose to use TANF dollars for EA services such as family support and crisis interventions. However, this will reduce funds for cash assistance. Also, the time receiving crisis services is counted in the five-year lifetime limit if funding is not transferred out of TANF, and family members are subject to work requirements even if the family is not receiving regular cash assistance.	▪ States can use TANF dollars transferred to SSBG for emergency assistance. Such funds are not subject to the five-year time limit provision. ▪ States can allocate state dollars for emergency assistance purposes. ▪ States can use SSBG dollars for non-cash vouchers to families at risk of involvement in the child welfare/child protection systems due to sanctions or time limits.

* For the full chart analyzing the implications of P.L.104-193 for Child Welfare/Child Protection Systems, please see NCCP Issue Brief #3: *The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protective Systems.*

NCCP's work documenting states' efforts to build comprehensive systems of child and family services ... has shown that broad dialogue between policymakers from child- and family-serving systems and from welfare systems has taken place in very few communities to date.

- How will changes in TANF change infrastructure needs for this program, including additional staff training, clear information materials for families, and new data systems?

Funding issues

- Does P.L. 104-193 increase, decrease, or have no effect on the funding available for this program?
- What are the potential budget implications of TANF and other welfare changes for this program, both in terms of direct service and new infrastructure needs? What are the opportunities to secure necessary funds to address the changes brought about by TANF?

Monitoring and evaluation

- How will it be possible to track and document the effects of TANF and other welfare changes on children, families, and programs?

STRATEGY II:

Convene state and community meetings on the implications of welfare changes for child- and family-serving systems and potential strategies to minimize harm to children and maximize the potential for positive outcomes.

It may seem that dialogue among government agencies, coupled with a broader planning process involving a wide range of stakeholders who work with or represent low-income children and families, are logical steps to ensure that welfare policies work in conjunction with other efforts to serve these families. However, NCCP's work documenting states' efforts to build comprehensive systems of child and family services, and convening state and community leaders involved in welfare and child and family issues, has shown that broad dialogue between policymakers from child- and family-serving systems and from welfare systems has taken place in very few communities to date.

Activities to Guide State Policymakers

STRATEGY I

Map out each of the major state programs that serve children and families and the possible effects of the federal welfare legislation and state welfare reform initiatives.

STRATEGY II

Convene state and community meetings on the implications of welfare changes for child- and family-serving systems and potential strategies to minimize harm to children and maximize the potential for positive outcomes.

STRATEGY III

Identify statewide and community-wide infrastructure changes that take into account the needs of children as welfare changes are implemented.

Such a dialogue could potentially have many important benefits. It could:

- Increase opportunities for identifying the implications of welfare changes for systems that serve children and families;
- Ensure that multiple perspectives are considered during the analyses and planning processes;
- Develop a base for formulating common goals and compatible strategies;
- Reduce miscommunication about the nature of welfare changes and the roles and responsibilities of various agencies;
- Promote the development of concrete strategies; and
- Promote problem identification and problem-solving.

STRATEGY III:
Identify statewide and community-wide infrastructure changes that take into account the needs of children as welfare changes are implemented.

After mapping all of the individual programs and convening meetings of individuals with different expertise and perspectives, some common strategies may emerge across all child- and family-serving programs, such as:

- Developing communications strategies to inform service providers and users about changes in programs and benefits, to whom the changes apply, and where to go for additional information;
- Developing mechanisms and responses to the needs of children and families in financial crisis due to changes in TANF programs;
- Providing cross-training for systems and program staff about the nature of available services in the community;
- Improving coordination of programs and systems to respond to the needs of low-income working families, including those who work nontraditional hours; and
- Developing community-wide monitoring systems that use data from different sources to track the effects of service and program changes on the use of services and the well-being of children and families.

Conclusion

New federal and state welfare policies are a significant departure from the past, and there is much uncertainty when developing answers to the questions identified in this issue brief. In addition, some data systems may not yet be in place to make answers readily available. Accordingly, efforts to understand the interaction between programs, map potential and real effects, and make necessary changes in policies and program structures need to be ongoing.[5]

The Center for Law and Social Policy and the Center on Budget and Policy Priorities are collaborating on a state policy documentation project to track major state TANF policies.[6] In addition, NCCP's Map and Track project includes a fifty-state description of state-level comprehensive initiatives for children and families.[7] These projects may serve as useful references for state decisionmakers.

The stakes are high. Two-thirds of welfare recipients are children. Research has repeatedly emphasized that the quality of early childhood experiences has an impact on children's growth and development and on their future life chances.[8] Welfare reform that takes this fact into account, and works to improve the lives of families in holistic ways, holds the greatest promise of success for this and future generations.

References

1. For additional information about Public Law 104-193, see the fact sheet issued by the Center for Law and Social Policy (CLASP). (1996). *The Temporary Assistance for Needy Families Block Grant of H.R. 3734*. Washington, DC: Center for Law and Social Policy. More detailed summaries issued by CLASP are described in the resource guide accompanying this issue brief series. Many of the other organizations listed in the resource guide have released summaries as well.

2. For a full explication of the increased opportunities for state spending flexibility under TANF see Savner, S. & Greenberg, M. (1997). *The new framework: Alternative state funding choices under TANF*. Washington, DC: Center for Law and Social Policy.

3. For more information about the framework NCCP developed to assess welfare reform from the perspective of children's needs, see Issue Brief 1 of this series: *How Welfare Reform Can Help or Hurt Children*.

4. Issue Brief 3 of this series: *The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protection Systems*, focuses specifically on identifying the ramifications of P.L. 104-193 for state and community child welfare systems and programs.

5. For a survey of state-level initiatives for young children and families and a listing of child outcome indicators, see Knitzer, J. & Page, S. (1996). *Map and track: State initiatives for young children and families*. New York, NY: National Center for Children in Poverty, Columbia School of Public Health.

6. For more information, please contact the Center for Law and Social Policy at 1616 P Street, NW, Washington, DC 20036. Tel: (202) 328-5140.

7. See reference 5.

8. See Issue Brief 1 of this series, entitled *How Welfare Reform Can Help or Hurt Children*, for a summary of research on this topic.

See also Collins, A.; Jones, S.; & Bloom, H. (1996). *Children and welfare reform: Highlights from recent research*. New York, NY: National Center for Children in Poverty, Columbia School of Public Health.

Glossary

Note: The terms described below are frequently used in the issue brief series when discussing welfare changes in states and communities. Not all terms appear in each issue brief.

AFDC—Aid to Families with Dependent Children
Aid to Dependent Children (ADC), established by the Social Security Act of 1935, was a cash grant program enabling states to assist children who had no fathers and were in need. It was renamed Aid to Families with Dependent Children (AFDC) in 1965. This program provided public assistance for children in need and their mothers or other caregiver relatives in all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. Children were eligible if they had been deprived of parental support or care because their single mother or father was either continuously absent from home, incapacitated, unemployed, or deceased. Changes in 1988 mandated federal cash supplements to two-parent households in which one parent's unemployment created such a need. The entitlements to cash assistance for low-income families and individuals under the AFDC program ended with the enactment of P.L. 104-193 on August 22, 1996.

CCDBG—Child Care and Development Block Grant
Authorized in 1990 and reauthorized with the passage of P.L. 104-193 in August 1996, the Child Care and Development Block Grant Program to the states is to be used specifically for child care services for low-income families with children ages 0–13, and generally to improve child care supply and quality, early childhood development activities, and before- and after-school child care services.

Child Care Disregard
Federal law required states to disregard certain earned income that went toward child care expenses when determining a family's AFDC or food stamps benefit level. The maximum amount that was disregarded for child care was $175 per month per child ($200 for children under age two).

EA—Emergency Assistance Program
The Emergency Assistance Program, along with AFDC comprised Title IV-A of the Social Security Act. EA provided 50 percent federal matching funds to states for emergency assistance to families with children facing destitution or homelessness for a 30 consecutive-day period in any one year. The EA program was eliminated with the passage of P.L. 104-193 in August 1996.

EITC—Earned Income Tax Credit
The Earned Income Tax Credit is a refundable tax credit available to low-income workers. If the amount of the credit exceeds tax liability, the excess is payable directly to the taxpayer. For the 1997 tax year, the maximum credit a family can receive is $3,656 for those with incomes between $9,140 and $11,930. The credit will phase out at $29,290 for families with more than one child.

Family Cap
The "family cap" concept refers to some state welfare provisions that stipulate welfare funds may not be used to provide additional cash benefits for a child conceived while a family is receiving welfare benefits. P.L. 104-193 omits this provision, giving states the option to continue such experiments.

Food Stamps
This federally funded program is designed to provide low-income households with sufficient food purchasing power to sustain a nutritionally adequate diet. The cost of this minimal diet is based on the Department of Agriculture's computation of the "Thrifty Food Plan." The Food Stamp Program is designed to provide food purchasing power equal to the difference between the cost of this food plan and 30 percent of the income of the household. P.L. 104-193 eliminates most food stamp benefits to legal aliens and sets more strict income, age, employment, and training guidelines for recipients.

FSA—Family Support Act of 1988
This federal welfare reform legislation changed the AFDC and Child Support Enforcement programs. Since the FSA amended the AFDC program, its major provisions were eliminated with the passage of P.L. 104-193 in August 1996. The FSA created a program of education, training, and other work-related services for AFDC recipients and mandated the AFDC-UP program (AFDC for two-parent families) in all states. It strengthened the Child Support Enforcement program requirements for automatic wage withholding of child support, use of state child support guidelines, and the establishment of paternity. In addition, for families leaving AFDC because of increased earnings or loss of the earnings "disregards," (see Child Care Disregard above) the act extended Medicaid coverage to 12 months and established transitional child care assistance (see TCC below) for 12 months.

GA—General Assistance
General Assistance refers to various state-funded cash assistance programs that provide benefits to non-elderly impoverished adults without dependent children. A 1996 Urban Institute survey revealed that of the 41 states and the District of Columbia with GA programs, 32 states have programs that cover the whole state, while 12 states have GA programs in only a portion of the state. Only 12 of the states with a GA program provide financial benefits to all needy adults, and four of the states provide assistance to able-bodied adults.

Head Start
A federal program begun in 1965 to provide educational, social, nutritional, and medical services to low-income preschool children, ages 0–5. Children from low-income families fill 90 percent of the program slots, with 10 percent reserved for children with disabilities. The program is overseen by the Head Start Bureau in the U.S. Department of Health and Human Services, but administered by individual Head Start agencies at the local level. Head Start emphasizes involving parents as volunteers and as paid Head Start staff members.

IFA—Individualized Functional Assessment
Individualized Functional Assessment is a process used to determine whether a child can engage in "age-appropriate" activities effectively. It was used to assess individuals with disabilities applying for SSI whose impairments did not meet or equal the "Listing of Impairments" in federal SSI program provisions. The IFA process for assessing SSI eligibility ended with the implementation of P.L. 104-193 and was replaced by more restrictive medical listings.

JOBS—Job Opportunities and Basic Skills Training Program
This program, established under the Family Support Act (FSA) of 1988, and eliminated with the passage of P.L. 104-193, required states to educate, train, and employ welfare families. This program

replaced the Work Incentive (WIN) program and consolidated other welfare-to-work provisions, such as the Job Training Partnership Act (JTPA). The FSA mandated that AFDC parents with children ages three and older participate in JOBS or approved employment and training activities. Parents with children under age six were required to participate for 20 hours per week.

MCHSBG—Maternal and Child Health Services Block Grant
The Maternal and Child Health Services Block Grant is a federal block grant program, authorized under Title V of the Social Security Act. It provides funds to states for health services to pregnant women, infants, children, and adolescents. States determine which services they provide, which can include prenatal care, well-child clinics, immunizations, dental care, family planning, and a wide range of inpatient and outpatient services for children with special health care needs.

Means-Tested Program
Any one of a number of federal, state, or local programs based on the determination of need (measured in cash, income, and non-cash assets) by an individual and/or family for cash and/or non-cash assistance. Means-tested programs funded by the federal government include the Food Stamp Program, housing assistance, SSI, school lunch and breakfast programs, EITC, and Medicaid.

MOE—Maintenance of Effort
Maintenance of Effort under the new welfare law requires that a state maintain a certain percentage of its historic level of spending on specified programs (usually 75 percent of what the state spent in fiscal year 1994 on AFDC, JOBS, EA, and AFDC-linked child care) or they risk losing a proportion of TANF funds. State spending that can count as MOE includes spending on families eligible for family assistance benefits or on families otherwise eligible if not for their alien status or reaching time limits.

P.L. 104-193—The Personal Responsibility and Work Opportunity Reconciliation Act of 1996
The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) became law on August 22, 1996. It replaces the AFDC, EA, and JOBS programs with the TANF block grant. P.L. 104-193 also denies SSI and food stamps to legal immigrants, changes the eligibility requirements for SSI, increases state and federal monitoring requirements for child support enforcement, and provides cash incentives to states to help decrease the number of out-of-wedlock births. TANF also reauthorizes CCDBG.

Qualified Aliens
Also called qualified legal immigrants, qualified aliens are restricted from receiving federal funds from means-tested federal programs under provisions of P.L. 104-193, including SSI and food stamps. Qualified aliens are permanent resident aliens, those granted refugee or asylum status, those paroled into the United States for a period of at least one year, and aliens whose deportation is being withheld. However, states have the option to provide funds to qualified aliens from their own programs or Medicaid. Upon becoming citizens, all former aliens qualify for benefits on the same basis as other citizens.

SSBG—Social Services Block Grant
Social Services Block Grant Program, Title XX of the Social Security Act, provides block grant funds to states to carry out a wide range of social welfare policy. Funds may be spent on services, training, and administration. States have wide leeway in program spending. P.L. 104-193 contains provisions that limit the use of SSBG funds to families with incomes below 200% of federal poverty guidelines, and prevent SSBG dollars from counting against time limits. States maintain the option to use SSBG funds for qualified legal immigrants, and for time-limited assistance to youth transitioning from foster care to adult life. Ten percent of TANF funds can be transferred to SSBG.

SSI—Supplemental Security Income
The Supplemental Security Income program was originally authorized by Title XVI of the Social Security Act and is a means-tested, federally administered income assistance program for children and adults with disabilities. P.L. 104-193 redefines eligibility for SSI for children with disabilities to eliminate maladaptive behavior as a qualifying medical impairment. Under the new definition, a child must have a medically determinable physical or mental impairment which results in marked and severe functional limitation which can be expected to last for at least 12 months or can result in death.

TANF—Temporary Assistance to Needy Families
Temporary Assistance to Needy Families Block Grant, one of two block grants created by P.L. 104-193, eliminates the federal entitlement to welfare benefits for needy families, and gives most states a grant of funds, based on their welfare program spending in fiscal year 1994, to administer their own welfare programs. TANF replaces the former welfare programs AFDC, EA, and JOBS, with fifty-state designed welfare programs that must be implemented by July 1, 1997. TANF funds place strict requirements on families receiving benefits, including five-year time limits for receiving cash benefits, strict work requirements for single and two-parent families, MOE criteria, limits on benefits to teenage parents, incentives to reduce the adolescent pregnancy rate, performance bonuses for rewarding work and reducing out-of-wedlock births, and limits on benefits to those convicted of drug-related crimes.

TCC—Transitional Child Care
The Transitional Child Care Assistance program was a federal, AFDC-linked child care subsidy program. It was eliminated with the passage of P.L. 104-193 in August 1996. It required states to guarantee up to 12 months of child care to a family who lost AFDC eligibility due to reasons related to employment.

Title IV-E—Foster Care, Adoption Assistance, and Independent Living Programs
These permanently authorized entitlement programs provide open-ended matching funds to states for the maintenance payments made for AFDC-eligible children in foster care family homes, private nonprofit child care facilities, or public child care institutions housing up to 25 people. P.L. 104-193 retained this entitlement along with the guarantee of Medicaid for eligible children, but made the following changes: Title IV-E funds can now go to for-profit agencies, the Independent Living Program is capped, and relatives are to be given preference over non-relative caregivers when placing children in foster care, providing that the relative caregiver meets state child protection standards.

WIC—The Special Supplemental Food Program for Women, Infants, and Children
The Special Supplemental Food Program for Women, Infants and Children provides nutritional screening and food assistance to low-income pregnant and postpartum women and their infants and children up to age five. Participants in the program must have incomes at or below 185 percent of the federal poverty line, and must be nutritionally at risk.

Children and Welfare Reform Issue Brief Series

☐ Issue Brief 1: How Welfare Reform Can Help or Hurt Children
by Ann Collins and J. Lawrence Aber

This issue brief describes the research base for NCCP's framework to assess welfare changes from a children's perspective and it points to lessons from current and welfare-to-work evaluations. (1997). 12 pp.

☐ Issue Brief 2: Anticipating the Effects of Federal and State Welfare Changes on Systems that Serve Children
by Ann Collins

This issue brief focuses on processes to assess how federal and state welfare initiatives will have an impact on state and community policies and systems that serve children and families. (1997). 12 pp.

☐ Issue Brief 3: The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protection Systems
by Jane Knitzer and Stanley Bernard

This issue brief examines the potential impact of P.L. 104-193 on vulnerable families already in or at risk of entering the child welfare/child protection systems. (1997). 20 pp.

☐ Issue Brief 4: The Implications of TANF for Child Care Subsidy Policies
(Forthcoming late Spring 1997)

☐ Issue Brief 5: Child Care Assistance for Non-TANF Families
(Forthcoming Summer 1997)

☐ Issue Brief 6: Child Care by Relatives and Friends
(Forthcoming Summer 1997)

☐ Resource Guide
This handbook describes internet sites, documents, and organizations that provide information on welfare reform and P.L. 104-193 and the likely impact on children.
(Forthcoming Summer 1997)

The above issue briefs are $5.00 each; deduct $5.00 if ordering four or more issue briefs.

Related NCCP Publications on Children and Welfare Reform

☐ Children and Welfare Reform: Highlights from Recent Research
by Ann Collins, Stephanie Jones, and Heather Bloom

This publication summarizes 34 recent reports, articles, and studies that are highly relevant to the current debate over welfare reform and its implications for the largest group of welfare recipients—children. The research covers the links between welfare reform and the following categories: developmental risks for children in poverty, profiles of adults receiving public assistance, economic issues for families leaving welfare for work, program strategies and their implications for children, child care, child health, and families with teenage parents. The research illuminates the three major ways that welfare reform could affect children's growth and development: (1) by affecting family income; (2) by affecting the levels of stress and parenting styles of adults receiving public assistance; or (3) by influencing the access to and the quality of services that children receive. (1996). 68 pp. $10.00

☐ Map and Track: State Initiatives for Young Children and Families
by Jane Knitzer and Stephen Page

This report is designed to "map" state initiatives for young children and families and "track" them over time. It provides state-by-state data that is highly relevant to the current debate over states' responsibility for the welfare of young children and their families. The baseline data, as of the fall of 1995, describes state initiatives that address the multiple needs of young children and their families—including comprehensive family support and early care and education strategies and other program and planning activities. It also includes state-by-state information on Young Child and Family Risk Indicators (e.g., young child poverty rates, percentage of children in overcrowded housing) and state investments in basic health and development for children. (1996). 171 pp. $19.95

☐ One in Four: America's Youngest Poor

This report is the Center's first book-length analysis of young child poverty in the United States since its 1990 report, *Five Million Children*. *One in Four* examines trends in the young child poverty rate (YCPR) over the last twenty years and answers several key questions about poor children under age six, such as: How many poor young children are there? Where do they live? What are the employment characteristics of their parents? How many live in two-parent or single-parent families? What are their racial and ethnic backgrounds? In what type of residential area (urban, suburban, or rural) and among which racial group is the YCPR increasing most rapidly? Why is the YCPR of vital importance to the United States? What are the policy implications of America's remarkably high YCPR? *One in Four* provides the YCPRs for each of the fifty states and for America's twelve largest cities. It places America's YCPR in an international context and examines trends for extreme young child poverty and young children in families in near poverty. (1996). Full Report, 88 pp. $16.95. Abridged Version, 32 pp. $7.95

☐ State Welfare Waiver Evaluations: Will They Increase Our Understanding of the Impact of Welfare Reform on Children?
by Ann Collins and J. Lawrence Aber

This working paper analyzes 21 evaluation plans for state welfare experiments to determine how current welfare reform evaluations measure effects on children. A summary of relevant prior research examines three areas where welfare reform could have a major impact on children: (1) by changing family income, (2) by affecting parental stress and parenting, and (3) by changing children's access to services and supports outside the family that promote children's healthy growth and development. The findings show that many evaluations collect data that will track children's education, access to health insurance, and experiences with child welfare systems. Includes research questions and children's well-being variables tracked in 21 waiver evaluations and a list of state contacts for more information. (1996). 37 pp. $10.00

☐ Young Children in Poverty: An Annotated Bibliography of Books and Reports, 1995 Edition
compiled by Carole J. Oshinsky

This volume describes 79 key books, reports, analyses, and special journal issues published from 1990 to 1995 related to young children and their families living in poverty in the United States. It examines policies and programs designed to assist poor children and their parents. Selections reflect the following criteria: national scope, relevance to children in poverty, substantive orientation, practicality, and timeliness. Entries include price and ordering information. (1995). 80 pp. $12.00

Prepayment or a purchase order is required. Make checks payable to Columbia University and mail to NCCP Publications, 154 Haven Avenue, New York, NY 10032, or fax your purchase order to (212) 544-4200.

NATIONAL CENTER FOR CHILDREN IN POVERTY
Columbia School of Public Health
154 Haven Avenue, New York, NY 10032
Tel: (212) 304-7100 Fax: (212) 544-4200
WWW: http://cpmcnet.columbia.edu/dept/nccp